



Impendle Municipality Annual Financial Statements For The Year Ended 30 June 2009

General Information

Members Of The Council

Councilor S.M.Makhaye
S G Ndlela
K.M.Dlamini
M.M.Cekwane
C.D.Gwala
E.B.Madlala
T.R.Mncube

MAYOR
COUNCILOR
COUNCILOR
COUNCILOR
COUNCILOR
COUNCILOR
COUNCILOR

Grading Of Local Authority

Grade 1

Auditors

Auditor – General

Bankers

Standard Bank of South Africa

Registered Office

Private Bag X512
Impendle
3327

21 Mafahleni Street
Impendle
3327

Telephone:
Fax:

033 - 9960 771
033 - 9960 852

BS Duma
Municipal Manager

TS Khwela
Chief Financial Officer

Impendle Municipality Annual Financial Statements For The Year Ended 30 June 2009



The Annual Financial Statement set out on pages 19 to 47
were approved by the Municipal Manager on 31 August 2009

Municipal Manager
BS Duma





Impendle Municipality Annual Financial Statements For The Year Ended 30 June 2009

Mayor's Foreword

Each year additional responsibilities are placed on Municipalities by Government and this coupled with the low payment levels for services by consumers is placing extreme pressures on the finances, not only of Impendle, but all municipalities throughout the country.

The transition of the past year brought with it a strong foundation for future development of Municipalities, especially for Impendle municipality. During the year under review the municipality had been fraught with many challenges including the filling of key vacant posts. The municipality has now filled all section 57 posts directly accountable to the Municipal Manager. It is believed that this team of good leadership will advance the needs of our local Community and that the Municipality will deliver on its mandate in a more structured manner.

I want to thank the new leadership and those members of Council that have brought new experiences and have shown good commitment in developing further on the stable foundation that has been set.

A special thanks to all those involved in the Impendle Municipal area who have worked tirelessly in making our jurisdictional area a pleasant environment to live and work in.

I wish to compliment the Council for the good fiscal discipline observed during the last financial year.

I also wish to thank Municipal Manager, Chief Financial Officer, members of the Finance staff and the staff of the other Directorates for the excellent work performed during the last financial year.

Councillor S.M.Makhaye
Honorable Mayor
Date: 31 August 2009



Report Of The Chief Financial Officer

Operating Income And Expenditure

Impendle Local Municipality has an Audit Committee as required by section 166 of the Municipal Finance Management Act 56 of 2003 (MFMA).

	2007/8	2008/9	Increase
Income	8,664,885	18,017,510	9,352,625
Expenditure	7,088,780	15,628,258	8,539,478
Surplus/Deficit	1,576,106	2,389,252	52%

Capital Expenditure

	Internally Funded	Grant Funded
Fencing and signs	37,667	49,889
Community Centres	0	
Plant, Vehicles, Furniture & Equipment	0	1,093,418
Roads and town planning	0	682,945
Civic Buildings	196,804	115,720
TOTAL	R 234,471	R1,941,972

Expenditure on fixed assets during the year was R2, 176,443 and details are provided on Appendix C. These purchases were funded from Contributions from current revenue of R 234,471 and from Grants of R 1,941,972

Debtors

The council decided to provide 100% of Umgungundlovu debt as doubtful debt until agreement of settling this debt is reached between the two Municipalities. The accounts of Ex Staff and Councilors owing Municipality were handed over to legal practitioners for collection.

Grants

Opening Balance as at 1 July 2008	Grants Received	Grants spent	Closing balance as at 30 June 2009
R 8,210,308	R 6,839,654	R 9,067,082	R 5,982,880



External Loans And Investments

No external loans were taken up.

Call Accounts as at 30 June 2009 amounted to R6, 745,195 details are provided in note 4 of the notes to the financial statements.

Funds Reserves And Provisions

More information on Provisions and Reserves is disclosed in the Notes 1 & 6 and Appendix A to the financial statements.

Post Balance Sheet Events

VAT correction journal of R 411,098 and R319,653 for correction of duplicate claim to Umgungundlovu District Municipality.

Expression And Appreciation

I wish to thank the Mayor of the Impendle Municipality, Council Members, the municipal Manager and Directors for the support they have given me and my staff for the assistance in the preparation of these financial statements. Special appreciation is also given to the DLGTA and DBSA for their support.

T S Khwela
Chief Financial Officer
28 August 2009

Balance Sheet as at 30 June 2009



	Notes		Ledger	
	Reference	2009	Reference	2008
		NOTES		R
CAPITAL EMPLOYED				
FUNDS AND RESERVES		6 664 488		8 891 915
Statutory Funds	1	681 608	L1	681 608
Reserves	2	5 982 880	L3	8 210 307
Accumulated Surplus/(Deficit)	15	2 927 214	L2	5 894 098
LIABILITIES				
Trust Funds		0		0
		9 591 702		14 786 013
EMPLOYMENT OF CAPITAL				
Fixed Assets	3	-		-
Investments	4	6 745 195	L4	7 119 440
		6 745 195		7 119 440
LONG TERM DEBTORS	5	177 121	L5	627 640
NET CURRENT ASSETS		2 669 386		7 038 933
CURRENT ASSETS		4 585 244		7 719 411
Short terms Debtors	6	1 260 591	L6	4 819 372
Cash		4 715	L7	4 000
Bank		3 319 938	L8	2 896 039
CURRENT LIABILITIES		1 915 858		680 478
Provisions	7	639 926	L9	304 833
Creditors	8	1 275 932	L10	375 645
		9 591 702		14 786 013



Income Statement For The Year Ended June 2009

2008	2008	2008	2008	2008	2009	2009	2009
Actual	Actual	Surplus (Deficit)	Budget		Actual	Surplus (Deficit)	Budget
Income	Expenditure	Surplus (Deficit)	Surplus (Deficit)		Income	Expenditure	Surplus (Deficit)
R	R	R	R		R	R	R
8 664 885	7 088 779	1 576 106	813 207	Rates & General	18 017 509	15 628 257	2 389 252
				Services			
				Community Services			
				Economic Services			2 389 252
				Trading Services	-		
		3 255 341		Appropriations For The Year	-5 356 136		
				(Refer To Note 15)			
		4 831 447		Net (Deficit)/Surplus For The Year	-2 966 884		
				Accumulated Surplus/	5 894 098		
				(Deficit) At Beginning Of The			
		1 062 651		Year			
				Accumulated (Deficit)/Surplus			
		5 894 098		At The End Of The Year	2 927 214	0	

Cash Flow Statement For The Year Ended 30 June 2009



	Notes	2009	2008
Cash Retained From Operating Activities		2 226 815	5 534 066
Cash Generated/(utilised) by Operations	16	(3 389 582)	9 740 515
Investment Income	14	706 810	537 320
(Increase)/Decrease in working capital	17	4 909 587	(4 743 769)
		5 534 066	
Less: External interest paid			-
Cash Available from Operations		2 226 815	5 534 066
Cash Contributions from the Public and the State.	22	-	610 975
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets	3	(2 176 443)	(1 606 478)
NET CASH FLOW		50 372	4 538 563
CASH EFFECTS OF FINANCING ACTIVITIES			
(Increase)/Decrease in Investments	21	374 242	(1 898 939)
(Increase)/decrease in cash	18	(424 614)	(2 573 611)
		(50 372)	(4 538 563)
	(0)	0	



Notes To The Financial Statements For The Year Ended 30 June 2009

	2009		2008
	R		R
1. STATUTORY FUNDS			
Capital Development Fund	538889		538889
Public Improvement Fund	142719		142719
(Refer to appendix A for more detail)	681608		681608
2. RESERVE FUNDS			
Unspent Grants	5982880		8210307
	5982880		8210307
(See Appendix A for more detail)			
3. FIXED ASSETS			
Fixed Assets at the beginning of the year	16477434		14870957
Add: Capital expenditure during year	2176443		1606477
Less: Transferred in Assets	-7054333		
Add : Correction of error	6840000		
Total fixed assets	18439544		16477434
Less: Loans redeemed and other capital receipts	18439544		16477434
Net fixed assets	0		0

Notes To The Financial Statements For The Year Ended 30 June 2009



	2009		2008
	R		R
4. INVESTMENTS			
Unlisted			
Short term deposits(call accounts)	6745195		7119440
Average return on Investments			
Average rate of return on investment (gross)			
5. LONG TERM DEBTORS			
Vehicle Loans to staff & Councillors	436743		436743
Staff	349924		349924
Councillors	86819		86819
Umgungundlovu District Municipality	3488763		0
Personal Loans to Staff & Councillors	264515		190898
Staff	156760		77143
Councillors	107755		113755
Total	4190021		627641
Less: Provision for bad debts	4012900		0
	177121		627641
6. SHORT TERM DEBTORS			
Rates	77821		95909
Amount paid in Advance			
Other Debtors	1182770		4747600
	1260591		4843509
Less: Bad Debts Provision			24137
	1260591		4819372



Notes To The Financial Statements For The Year Ended 30 June 2009

	2009		2008
	R		R
7. PROVISIONS			
Audit Fees	259600		123610
Provisions for Leave	380326		181223
	639926		304833
8. CREDITORS			
Trade and Other Creditors	991219		266516
UMDM	284713		109128
	1275932		375644
9. ASSESSMENT RATES & REFUSE			
Land	23600		
Dwellings	29833		69910
Business	52100		
	105533		69910
Rates are levied on the basis of land usage.			
The rates applicable for the different property categories are as follows:			
Business 428	400		
Residential 212	198		
Government 428	400		
Vacant site 107	100		
10. COUNCILLORS' RENUMERATION			
Mayor's Basic Salary	160679		230946
Exco members			
Councilors' Salaries	525855		650281
	686534		881227

Notes To The Financial Statements For The Year Ended 30 June 2009



	2009		2008
	R		R
COUNCILLOR BENEFITS			
Pension	102980		
Medical Aid	0		
Cell Phone Allowance	69804		53928
Office Allowance	0		
Travelling Allowance	263171		
	435955		53928
The Minister for provincial local government granted 95% of Upper limit to councillors of Impendle Municipality.			
They were paid according to granted upper limits			
11. SECTION 57 EMPLOYEES' REMUNERATION			
Municipal Manager	26880		162917
Chief Financial Officer	413720		319000
Director Corporate Services	371408		0
Director Technical	413720		319000
	1225728		80091
12. SECTION 57 EMPLOYEES' BENEFITS			
Medical Aid	0		0
Pension Fund	0		0
Group Life	0		0
Travelling	0		0
Retirement Annuity	0		0
Housing Subsidy	0		0
	0		0



Notes To The Financial Statements For The Year Ended 30 June 2009

	2009		2008
	R		R
13. AUDITORS' REMUNERATION			
Audit fees	259600		123609
- under/over provision			
	259600		123609
14. FINANCE TRANSACTIONS			
Total external interest earned or paid:			
Interest earned	579642		393094
Interest paid			
Net external interest earned / (paid)	579642		393094
Add: Non operating interest - Housing Department	127168		
	706810		393094
15. APPROPRIATIONS			
Appropriation account			
Accumulated surplus at the beginning of the year	5894098		1062652
Operating surplus / (deficit) for the year	2389252		1576106
Prior year's adjustments	-754518		3255340
Adjustments to operating account	-4601618		
	2927214		5894098
Operating Account			
Fixed Assets	2176443		995502
Contributions to:			
Audit Fee Provision	259600		123609
Leave Pay Provision	380326		181223
Bad Debts	4012900		24137
	4652826		328969